

Computer Accounting Tax Service, LLC
CCPA:LPD:PR (Notice 2009-60)

Dear Sir:

I am self-employed currently as a single member LLC. I have been in business for 30 years doing individual and Schedule C business tax returns and payroll tax filing. I am writing to give my input on the aforementioned Notice.

I am a member of National Association of Tax Professionals and have been for over 20 years. I have participated in breakfast meetings with other area tax professionals and have a network of tax return preparers and EA's that I use for questions if they come up and/or need to understand the reference books I have.

I have always done 100 CPE credits each year I have been in business. I believe that all preparers such as myself should be required to take CPE courses through many offered seminars that are out there. I attend conferences with the Society of Enrolled Agents, because they allow it and I pay a non member fee. I have never seen a seminar that was not offered to non members. I look at what each seminar is presenting and attend based on the type of returns I do. There are 7-8 that I attend each year to keep my expertise in line with current laws.

I feel that the IRS or an organization such as NATP could monitor preparers education needs.

Requiring individuals as myself with ethics education is an important need.

My seminars have, since last year, done much teaching of ethics. It is a really good thing to learn about even if you cannot represent clients in court.

Maybe it should be a requirement for the people who run the seminars.

The level of service I need has been handled very well by the Taxpayer

Advocate office. These people have teleconferences, webinars, seminars and teach new techniques for the tax preparer, especially new electronics services. When I am at these seminars, I see many men who argue with the educators about troubles with the IRS. I can see that many of their problems are how they are doing things themselves. I have good relationship with the IRS staff trying to help preparers. They are very patient and take notes to call people back.

As far as the government trying to control the whole country of preparers, they should educate, inform and require they do what I do. Speakers at the seminars I attend have a great way of teaching ethics in layman terms. You need good educators. I attend many seminars that have past teachers doing this and they know how to get the information to the people.

Cost is a factor in others getting education. Maybe the organizations could offer simple beginning seminars to teach people HOW to do taxes. If they get off on the right foot to start With, then perhaps they will be better tax people. If people do not get education, then they should not be allowed to prepare taxes.

Educate them on the problem areas the IRS is having for example Ele, any new credits etc.

Thank you for letting me make comments with my experience and push that honesty is the best policy and responsibility for your actions are pertinent.

Sincerely yours,
Carolyn A. Warfield
Single Member LLC

From: YVONNE MEDINA
Sent: Friday, September 04, 2009
Subject: INCOME TAX PREPARERS

I DO BELIEVE INCOME TAX PREPARERS SHOULD BE TRAINED AND KEEP UP WITH NEW REGULATIONS AND LAWS. SEMINARS SHOULD BE GIVEN BY IRS. IN THE TERMS OF BEING GOOD ETHICAL PREPARERS, WE NEED TO KNOW THAT ANYONE CAN PREPARE A TAX RETURN EVEN SELF PREPARED SO EVEN THOUGH WE MAKE PREPARERS GO THROUGH SEVERAL STEPS TO PROVE THEIR INTERGRITY, WHAT WOULD BE THE POINT IF ANY PERSON CAN PREPARE THEIR OWN RETURN OR A FRIEND OR SOMEONE THAT HAS NO TRAINING. IT WOULD BOIID DOWN TO THE TAX PAYERS IS SIGNING THE RETURN AND SHOULD BE MADE RESPONSIBLE FOR THEIR ACTIONS ON THE RETURN.

From: Charles Markham
Sent: Friday, September 04, 2009
Subject: Notice 2009-60

I wish to provide my comments as an Enrolled Agent and professional tax preparer towards the regulation of tax preparers.

It seems to me that many of the proposals regarding licensing are directed at what it takes to become licensed (testing or not) as well as what it takes

Leslie and Associates, Inc.

Bookkeeping, Payroll & Tax Services

September 8, 2009

Dear IRS:

I am writing regarding the suggested minimum training for all paid preparers of tax returns. AS a tax professional working in California I am sure you know California already requires every tax preparer to register and provide proof of minimum training requirements.

I am writing do to the fact that I am concerned that I am not able to represent taxpayers since I am not a CPA, EA or an attorney. I have been in business for over 20 years and seen my ability to assist clients with their tax issues erode significantly over the years. Yet in California before the Franchise Tax Board I am able to do so.

We process tax returns as well as process payroll and it presents a significant hardship not being able to discuss our client's accounts, work out solutions and/or resolve outstanding issues. In addition we find that having to file new forms annually, since you cannot file them for future years, another great inconvenience.

I ask that the IRS make the required training comprehensive enough enable us have the authority to represent our clients for all matters except perhaps an audit. That way the EA lobby will be satisfied perhaps. This will keep our clients (the taxpayers) costs lower; give them more choices in firms that they can hire along with improving our understanding of the way the IRS works.

I attend the National IRS symposium each year and prepare payroll and taxes for over 350 clients. appreciate your time.

Sincerely,

John L. Leslie

From: Del Bass EA
Sent: Thursday, September 10, 2009
Subject: TAX PREPARERS

TAXPREPARERS SHOULD BE LICENSED HAIRDRESSERS BARBERS AND REAL ESTATE AGENTS ARE A FEW THAT ARE. WHY ARNT TAX PREPARERS? THEY CAN ADVERTISE AS TAX EXPERTS TAX PROS AND ANY WAY THEY WISH. THEY CAN GIVE YOU A TV OR OTHER PRIZES DISCOUNTS ON TAXES IF THEY DO INVESTMENTS (H & R BLOCK) IF THEY ARNT LICENSED. LICENSED AND CONTINUING EDUCATION SHOULD BE A ABSOLUTE REQUIREMENT TO DO A TAX RETURN FOR MONEY. THANKS FOR ALLOWING THIS FORUM TO COMMENT

DEL BASS E.A.
ENROLLED AGENT

I AM A FORMER IRS OFFICE AUDITOR AND FORMER BOARD MEMBER OF NAEA
ALSO TWICE PAST PRESIDENT OF TXSEA AND TEAS

I DO NOT SPEAK FOR THESE ORGANIZATIONS IN THIS EMAIL -THESE ARE MY OWN
COMMENTS WHICH MAY OR MAY NOT REFLECT THE ORGANIZATIONS OF WHICH I STILL
REMAIN A MEMBER. THANK YOU

South Carolina Association of Certified Public Accountants

September 10, 2009

CCPA:LPD:PR (Notice 2009-60)

Dear Agent:

We are writing to comment on the proposal to institute additional regulation or a registration process on tax preparers. The South Carolina Association of CPAs ("SCACPA") stands with the American Institute of Certified Public Accountants ("AICPA") against additional regulation or registration.

To that end, we wish to emphasize four key points:

1. The AICPA and SCACPA support efforts to ensure preparers are qualified, ethical, and provide good services;
2. We agree with the IRS strategic plan's recognition that tax professionals play a key role in sustaining the nation's voluntary compliance tax system;
3. We believe the IRS has the necessary authority to regulate federal tax return preparers through the current penalty structure, Circular 230, and implementation of one unique identification number for all tax preparers in order to track all interactions with the IRS; and
4. SCACPA strongly advises against imposing duplicative regulatory processes on CPAs, attorneys, enrolled agents and other professionals already subject to Circular 230.

Additional registration will punish the reputable firms and practitioners who are following the established guidance. It will not deter the activities that this effort is designed to curtail. Thank you for your consideration and for your choice to forgo additional requirements.

Sincerely,

Jason Sweatt, CPA

SCACPA Legislative Committee Chairman

John Price, CPA

SCACPA Taxation Committee

IRS Electronic Tax Administration Advisory Committee

Hand Delivered
September 11, 2009

FROM: IRS Electronic Tax Administration Advisory Committee
TO: Hon. Douglas Shulman, Commissioner, Internal Revenue Service
SUBJ: Standards of Conduct for the Tax Return Preparer Community and Increased Taxpayer Compliance

The Electronic Tax Administration Advisory Committee (ETAAC) applauds the Commissioner's initiative to strengthen the integrity of the tax system by helping the Internal Revenue Service better leverage the tax return preparer community to increase taxpayer compliance and ensure uniform and high ethical standards of conduct for tax preparers. We appreciate the opportunity to meet and discuss the important issues of tax return preparer community oversight.

ETAAC's charter encompasses issues associated with electronic tax administration. In this regard, ETAAC believes the integrity of electronic tax administration requires attention both to the competency of tax return preparers and Electronic Return Originators (ERO), as well as to the integrity of the electronic tax preparation and filing industry - principally software developers and transmitters. High standards and effective oversight of the tax preparation industry as a whole are necessary to protect taxpayers, to enable taxpayers to accurately comply with their tax filing obligations, and to build trust and confidence in electronic tax preparation and filing.

I. Preparer Oversight

ETAAC's past annual reports to Congress have made recommendations concerning traditional preparer-related issues that generally echo those of the many stakeholders who have commented recently on this issue. Specifically, IRS should focus its attention on non-Circular 230 "unenrolled" preparers by implementing a registration system, requiring competency through testing, and setting and enforcing high standards of conduct and performance. By way of illustration, ETAAC's 2008 Annual Report to Congress included the following recommendation:

ETAAC recommends that Congress and the IRS require testing and licensing of all non-Circular 230 tax preparers and that the IRS should be responsible for setting the requirements for competency levels and ongoing training. This recommendation should be implemented with input from stakeholders and over a two to three year period so as not to put an undue burden on tax preparation firms and not materially impact the availability of preparers to the taxpayer community. (In addition), this recommendation was made by the ETAAC in 2007 (see Recommendation 18).

ETAAC believes some of the most important elements of preparer oversight are:

- Establishing a national preparer identification number for all tax preparers is critical for oversight and enforcement. Today, too many different numbers are permissible (employer identification number, preparer SSN, Preparer Tax Identification Number, etc.). Perhaps most importantly, the inclusion of the number on the return is not enforced either for its presence or for accuracy. Establishing a national preparer identification number that is required to be included on the return is foundational to effective preparer oversight.
- Oversight should require testing and education requirements. Non-Circular 230 preparers should be subject to an appropriate blend of ethics training, yearly continuing education and initial testing requirements that are perhaps scaled to their level of tax preparation competency (simple or complex). The expense to administer testing and registration could be funded by the applicant/preparer at relatively moderate rates. Preparers who are registered and tested in states with acceptable programs should be given the ability to enter the IRS' program without unnecessary duplication of effort.
- Enforcement must be the cornerstone of an oversight program. Without rigorous enforcement processes and resources in place, any oversight model will return short-lived results.

Existing preparer penalty statutes appear sufficient to enable enforcement. However, funding for resources to administer compliance needs to be provided by Congress and partially offset by a fee-based structure. A comprehensive, data-driven compliance approach supported by adequate staffing (including investigators) are required to ensure an effective preparer oversight program.

The utilization of a self-regulated model or a combination of an IRS-regulated and self-regulated model are options that should be carefully considered.

II. Electronic Tax Industry Oversight

This year ETAAC expanded its focus on preparer competency to include recommendations concerning the *electronic* tax preparation industry. (See Attachment #1). ETAAC recognizes that the electronic tax industry is already subject to considerable regulation in the areas of privacy and security. For example, Internal Revenue Code 7216 is one of the (if not *the*) toughest privacy regulations in existence. However, as suggested by the Government Accountability Office in its recent report on the tax software industry, we believe there are potential risks presented by the relative lack of proactive oversight of the industry.

To facilitate our upcoming discussion, ETAAC would like to summarize the principal points of its deliberations and recommendations concerning oversight of the electronic tax industry from our 2009

Annual Report to Congress:

- IRS should identify and prioritize the most important risk areas and address them first. ETAAC believes that initial engagement between IRS and the electronic tax industry should focus on security and software accuracy.
- IRS should leverage existing recognized, effective industry standards wherever possible, and not undertake to develop entirely new ones. For example, ISO 27000 series is a widely recognized international security standard commonly used in industry, which is comparable in many ways to the federal "FISMA" security standards. Taking advantage of existing standards increases the speed with which IRS can act and industry can adapt.
- Any standards or certification models should focus on high level outcomes and controls, and not unnecessarily burden industry or be overly-prescriptive. For example, software companies must meet very tight deadlines, especially in the case of late passed legislation literally a 7/24 effort to develop, test and deliver software. Certification models that unnecessarily delay software delivery would have a significant adverse impact on preparers and taxpayers, especially taxpayers filing during the "first peak" in late January and early February. Similarly, the implementation of overly prescriptive requirements can adversely impact innovation without substantially improving the achievement of policy objectives.
- IRS should apply existing, proven attestation or certification models wherever possible. For example, many auditing and other professional firms already assess, attest or certify companies' compliance with process and other controls. One notable example is the auditing of a public company's "internal controls over financial reporting" as required by The Sarbanes Oxley Act. Similarly, third parties frequently audit the information technology systems of financial institutions areas using the AICPA SAS 70 standard. Enforcement is a key element of an effective oversight model, and leveraging these types of proven assessment, attestation or certification models enables that enforcement in a most cost-effective manner.
- IRS should collaborate with industry and states. IRS is pursuing an important, new initiative in increasing oversight of the electronic tax area. It requires the best insights of all affected parties. IRS' establishment of an ETAAC Subcommittee with IRS/States Industry representation to review security in the electronic tax area is a perfect example of the type of collaboration

ETAAC recommends.

III. Additional Insights

In addition to the above points, ETAAC would like to provide the following additional thoughts:

- Any regulations must be carefully targeted and scoped to achieve the desired policy objectives in the most cost-beneficial manner.
- IRS should leverage existing IRS programs and processes wherever possible. As an illustration, IRS Publication 3112 requires that all potential Authorized IRS *e-file* Providers submit to an application and review process. There may be an opportunity for IRS to leverage this existing process by, for example, requiring applicants to demonstrate they have obtained certain third party assessments or certifications.
- Tax Preparer oversight should be viewed as an integrated, closed-loop, end-to-end process. For example, compliance issues identified by IRS' examinations teams should be fed back into the preparer and software communities for possible action. IRS' EITC Software Developers Working Group is an illustration of this approach, as well as the IRS' use of software developer report cards aimed at improving software accuracy.

- Tax Preparer oversight should not be administered in silos. For example, if the Office of Professional Responsibility were to be tasked with registration, testing, and enforcement of preparer competency, it should be appropriately informed when a particular preparer falls out of compliance with ERO requirements, the administration of which may organizationally fall elsewhere in IRS. In short, the separate processes and systems of oversight need to interact to achieve overall oversight objectives.
- IRS should consider the differences between the traditional preparer and the electronic tax industry in setting standards and establishing a certification model. The policy issues associated with traditional preparers have focused primarily on registration, testing and education issues. On the other hand, the policy issues associated with electronic tax administration focus primarily on technology issues such as IT security, software accuracy and system reliability.

Accordingly, the competencies and methods of overseeing the electronic tax industry may be quite different. Finally, ETAAC appreciates the opportunity to provide feedback on this important issue. If we can be of any future assistance, please let us know.

Chris Beach

Outgoing 2008-09 Chair, ETAAC

Phillip Poirier

Incoming 2009-10 Chair, ETAAC

ATTACHMENT #1

EXCERPT FROM ETAAC ANNUAL REPORT TO CONGRESS, JUNE 2009, PAGES 22-23.

6. Recommendation for IRS

IRS should work with the tax preparation industry and states to set high industry standards and determine the best model for the efficient, effective oversight of tax software services.

*The percentage of individual income tax returns completed using a preparation software product is approaching 90%. In view of the fact that taxpayers and preparers have come to depend on these products for computational accuracy as well as the security and privacy of their confidential information, the U.S. Government Accountability Office recently issued a report recommending that the IRS "assess the extent to which the reliance on tax software creates significant risks to tax administration, particularly in the areas of tax return accuracy, the security and privacy of taxpayer information, and the reliability of electronic filing."*¹

While it is cost and resource prohibitive for the IRS to provide total oversight and regulation of these products, the IRS should establish threshold standards and a related oversight model to support integrity in the important tax preparation software and e-file industry. An effective, efficient oversight model does not necessarily require direct IRS regulation. For example, IRS currently requires that third parties certify Free File Alliance member compliance with systems penetration testing requirements.

ETAAC has recommended in past reports that there should be greater oversight of tax preparers. The issue of tax software preparation oversight is an additional component to the larger "preparation oversight" issue. The IRS should consider that comprehensive and effective oversight of the tax software industry should be part of a larger oversight model for the entire tax preparation industry, including preparers.

IRS should consider collaborating with industry in the following areas:

• Clearer Security Standards

IRS Revenue Procedure 2007-40 requires that all Authorized IRS e-file Providers have security systems based on the Gramm-Leach-Bliley ("GLBA") and the FTC "Safeguards Rule." However, the FTC Safeguards Rule does not set sufficiently clear security standards to protect taxpayer information. IRS should select from among several existing, recognized controls-based security standards to set for Authorized IRS e-file Providers. As just one illustration, IRS could require compliance with a global security standard - such as ISO 27002 - including periodic certification. Most importantly, ETAAC believes that an effective cyber-security standards strategy should not be technology prescriptive, because security threats evolve in days and weeks and technology must rapidly adapt to stay ahead of

¹ GAO Report - Many Taxpayers Rely on Tax Software and IRS Needs to Assess Associated Risk GAO-09-297, February 2009.

emerging threats.

- **Software Accuracy Standards**

ETAAC believes that IRS should work with industry and the states to determine the best approach for standards that would enhance the accuracy of tax software. Any such standards should avoid excessive rigidity, empower software developers to determine how best to meet their obligations, and anticipate the need to update tax software rapidly to reflect late-passed legislation.

Just as with security, any oversight model should focus on high-level requirements. The determination of "how" to meet standards should be left to the software developer. Compliance with those standards could be ensured through an oversight model relying on independent third party review.

From: JACKIE LEWIS
Sent: Friday, September 11, 2009
Subject: ATTENDENCE

TO WHOM THIS MAY CONCERN:

I AM SORRY THAT I CAN NOT ATTEND THE SEMINAR. BUT I WANT YOU TO KNOW THAT I HAVE BEEN PREPARING TAX RETURNS SINCE 1980 AND NEVER BECAME CERTIFIED ENROLLED AGENT. I WOULD LIKE TO CONTINUE TO PREPARE TAX RETURNS FOR AT LEAST ANOTHER 5 YEARS. PLEASE DO NOT SHUT ME DOWN.

THANK YOU,
JACKIE LEWIS BOOKKEEPING-INCOME TAX SERVICE

From: Jim Bowne
sent: Friday, September 11, 2009
Subject: Forum: info on paid tax preparers

To whom it may concern:

As a tax preparer licensed in Oregon, which is the only state with licensing similar to IRS requirements, I would like to add comments to this forum even though I will not be present. I hope that you will allow this as there are many from our state that have not had an opportunity to so testify as yet. Should this be your real concern, as it is ours, I would be happy to notify our state licensees.

Thank you.
James Bowne
Licensed Tax Consultant-OR

From: Kathy Kacher
Sent: Friday, September 11, 2009
Subject: Notice 2009-60
Subject: tax preparers regulation

I would like to comment on the tax preparer regulation that you may be considering. I believe that ONLY CPA's EA'S and TAX ATTORNEYS should be able to sign tax returns. As you have seen from several reports, the unlicensed tax preparers are the cause of 90+% of the fraud and mistakes committed. I also would like to see the Non profits get out of the preparation business. They make the same amount of mistakes and they compete with the for profit businesses like mine. We have AARP here in Homer Alaska. They prepare tax returns for free for everyone. It has hurt my business and the other licensed taxpaying businesses. I cannot compete with a nonprofit. I could train and hire more local people here, but I will not, as I do not think I can expand with my competition being a nonprofit. I am sure the other CPA's & EA's in the area have the same concerns. I just read the article about ACORN and their practices. Another reason to stop these people. They have nothing to lose. I have a good business relationship with the IRS here in Alaska. They informed me that they (the IRS) cannot stop these preparers as they have nothing to lose. They tell them to stop, they stop for one year, or change their business name and continue to prepare taxes. The good unlicensed preparers can take the EA test and get their license. It would be OK to have employees working under the licensed preparer, yet have the licensed person *review and sign* all returns. That is how I do it here. When I worked for my ex husband (CPA) in Sacramento he ran the firm this way. He was responsible for everything. I modeled my practice this way.

Nothing goes out of the office without my review and signature. This ensures quality work. My name makes me responsible and I value this. I do not want to lose my EA.

Please consider this as the only alternative. *Do not create another layer of preparers.* Again, if they are any good they can take the EA test. You do not have to have a college degree to take the test.

Thank you for your valuable time concerning this very important matter.

Kathy Kacher EA
Aurora Taxes & Accounting

From: Sunny Acre Tax
Sent: Monday, September 14, 2009
Subject: Notice 2009-60

Dear Sirs

I completely understand that something should be done. I am an unenrolled agent and have several hundred clients, mostly lower income, small business owners and farmers. Being a small business owner and raised on a farm, I fully understand the workings of both. I really have no intentions of becoming an EA. I doubt if anyone in this four county area even knows what that is or even cares about that. I even think if you did a survey of 1000 random people if 1% even knows what an EA represents. I do have a minor in accounting and a MS in Business Management.

With the current scandal of preparers on national TV by group organizers, something needs to be done. The problem as I see it is how does IRS control and monitor this. I know several people that prepare tax returns that don't even sign their name as preparer. One person can't even get a PTIN because of her own tax problems and sends the return to her son 3 states away for him to file electronically and she does about 700 returns a year. So you are going to punish the people that are trying to do it correctly. It is the underground ones that the IRS will never know about and can't track.

I am all for some regulations though. I have a EFIN, CAF and PTIN, so start there as the identification that is already in place. Really against the mandatory testing. As an ex-school teacher you can make it where everybody fails or pass by the questions presented. Attorneys and CPA's should be required also if everybody else has too. Their knowledge that I found out are very limited on tax materials unless that is all they deal with. Look at Worldcom and Enron, who do you think did their tax returns? In favor of continuing education. I probably get 30 hours a year myself just to keep up with things. Also a member of NATP and signed up for IRS web releases. It is a must just to keep fairly current. Then if I don't fully understand something, I do have resources that I can go to.

Thanks for your time to listen to me. Gary Floyd

From: georgieporgie

Sent: Saturday, September 12, 2009

Subject: Non-Registered Tax Preparers and the Upcoming Final Forum

To Whom It May Concern,

I'm writing today in the hopes that my response to the tax preparer regulation forums will be included. The reason is that although it is considerate of the IRS and the Treasury Office to offer the public forums, I cannot afford to travel to the cities that are hosting the forums. I am confident that I am not alone in this matter.

To begin I have been an employee in the accounting and tax preparation industry for 26 years. During this time I have taken many courses and attended many continuing education seminars to build my knowledge in accounting and keep up with each year's new tax rules and regulations. Although I am not a CPA, I have earned as much knowledge and in some cases more knowledge than many practicing CPA's that I know.

To earn extra income to assist in providing for my children as a single parent, I have been preparing tax returns for many people in my community for 14 years now. I am confident in my accuracy, my knowledge and my ethics. I do understand that there are tax preparers and CPA's in our society that lack in ethics both in tax preparation and in operating their businesses. I however, am not one of them!

I believe that ethics is one of the big driving points to set new regulations for all tax preparers. Myself, I am always above board when preparing a return. That includes not only returns for my own self-employment but even at my day job. In fact numerous times throughout my career I've put my job on the line with an employer because I refused to do unethical things. I have even lost a small hand full of my own clients because I refused to falsify their information.

Added to this if at anytime I am unsure of how to report an issue within a return, I refer to my master tax guide for any given year for the correct answers. If I am unable to find the answer in the tax guide I then go to the IRS website which by the way is very helpful. If at anytime I'm not 100% sure that I am preparing a return correctly, I refer that client to a CPA in my area.

I would also like to mention that I have always prepared each return (individual and corporate) first manually by hand. Followed by final preparation with TaxCut Professional software and corporate returns with ATX software. These software programs are very good at two things. The first is that they confirm my accuracy and second they catch if I've made an error.

As my ethics are very important to me. I also record every bit of my self-employment income from bookkeeping and tax return preparation on my own return. I do this without question each and every year.

I believe that if the proposed regulations are put in place myself and the people in our society that are like myself, will lose the opportunity to provide service to my own clients. I will not be able to afford the proposed costs. I will not be able to afford the education to become certified or licensed. This will result in a great loss of income to me.

Another important note is that the service I provide is mostly to single parents that don't know how to prepare their returns and/or don't have computers or a vehicle to utilize the free services on line or locally. I also provide bookkeeping services to small business owners in my area to assist and ensure that they are accurately recording their business income/expenses. Both of my bookkeeping and tax preparation services are provided at a very cheap rate to assist the low-income and the small business owner in my area.

I believe by imposing the proposed new regulations of course it will help the IRS and Treasury Department in getting a better handle on the unethical practices across the country. BUT, it will hurt the "little guys" like me!!!!!! Don't we, as a society, have enough rules and regulations to follow?

In closing, I may have missed it somewhere in all of the missives regarding the proposal, I have not seen anywhere that you are proposing to "Grandfather" in the multitude of "little guys" like me. I think that would be a better way to go about this. Don't we have enough unemployment, foreclosures, low-income families in our country already?! These new regulations will only add to an already monstrous problem in my country that I already love.

If you have read to the end of my diatribe, I thank you for your time and possible consideration in my message today.

Sincerely,

Georganne Whelan

From: Marsha M. Giacobazzi
Sent: Saturday, September 12, 2009
Subject: Licensing of Preparers

I would just like to make sure it is set up so that the customer's are getting the professional service they are paying for AND the preparers are not required to provide a service they are not prepared for.
I would hope this process would involve licensing for specific Tax Areas similar to the way the EA test is set up. When I missed passing this test my area of weakness was the Corp/Partnership area as I do NOT specialize in that area. I might add these tests are not compatible with everyday reality. I have never understood why organizations put tests together where you can not use reference material or the tools you need to do the job. Instead, what it really seems like it's about is how skilled can you be at taking a test and oh if your not well then it's a cash cow for the testing organizations on down. I am going through this same thing in the CMA process. In fact, I am in a class specifically to show us HOW to TAKE a test. So you see these tests are not checking your knowledge they are telling you if you are a good test taker.
I am VERY excited about a requirement such that not just anyone out of work in the winter can hang a sign and call themselves a tax preparer. It basically takes work away from me for that given year and then I get to clean up the other persons work and the customer gets to pay for it all over again which in turn spends government money to re-process this is definitely not a 6 Sigma process. Oh, by the way did I mention I am the Corp. 6 Sigma accountant, so I can see much opportunity in this area.
Well, I may not have added a huge value here, but at least I can let you know I am closely watching my emails for a specific direction to take on this.
When will this be effective?
How do we proceed?
What do we tell our clients?
What do I tell me staff as they are concerned they will be out of a job?
Do I have to be licensed and sign ALL returns?
What will the fee be for this test and how often?
How are you going to manage and clean up those who don't follow the rule?

Thanks
GIACOBAZZI'S Income Tax

From: D W
Sent: Sunday, September 13, 2009
Subject: Notice 2009-60

Dear Sir or Madam:

Regarding proposed standards for Tax Preparers, I believe they are long overdue. I am a retired CPA who has had to have 40 hours of CPE per year for years and years. While that certainly involves more than just tax preparation, it has been a valuable part of my knowledge.

I believe that beginning preparers ought to have completed at least 35-40 hours of training, and at least have spent 1 tax season working for an experienced preparer. For the next 5 years, they need at least 16 hours of update and review of new laws. Whatever taxes the preparer is going to do (corporate, partnership, payroll, estate, fiduciary,) they need to have specific instructional courses that apply.

I believe that after a person has been preparing taxes for 7 years, then 8-16 hours annually should be required, depending on what type of taxes they are preparing.

I have seen tax returns filed by preparers without an adequate background and they are disasters. In fact, they are unbelievable. Please pass some minimum education requirements.

Diane C Whitlock

From: Leroy Woods
Sent: Monday, September 14, 2009
Subject: IRS Seek Comments From Unenrolled Preparers

Upon review of the last session and panel members' comments made in the September 2, 2009 Forum, I have taken some positive excerpts, which I hope to highlight in my own words to help increase the opinion and secure the fate of unenrolled preparers.

Paid preparers are such an important part of the federal tax administration system that the IRS sometimes refers to them as "partners." The tax system likely could not function without them. It's safe to bet that the majority of those who use paid tax preparers believed that they were using qualified, certified and registered professionals and in most cases, they would be right.

While many errors on returns filed by paid preparers are found, let it also be known that not all of these errors are necessarily the preparer's fault; the taxpayer may be to blame. Ultimately, preparers must depend on the information provided by the taxpayer in order to accurately prepare returns.

The first suggestion in managing errors on returns would be that the IRS registers all tax preparers, including ePAs and attorneys. Each preparer should be given a unique registration/license number and pertinent registration information (name, address, registration/license number) should be made public which would lead to increasing the accountability of tax preparers, because it requires those to sign each return they prepare - holding them responsible for their work. (Le. PTIN)

Secondly, a mechanism for ensuring that individuals purporting themselves out as tax preparers have the requisite knowledge to prepare a basic tax return. The Enrolled Agent Examination has several parts within the exam that can be utilized to capture this intent, and by creating two levels of licensure; one for Individual Tax Return and another for Business Tax Returns would allow a preparer to prepare Tax Returns for which he/she may be qualified to prepare and avoid getting into an area where they are not competent.

Finally, In addition to improved guidance and tracking, the IRS needs to ensure that responsibility for oversight is well-coordinated and consolidated where possible. If the IRS implements new standards and requirements for paid preparers, one function within the IRS should have primary responsibility for overseeing implementation and compliance with those standards.

In conclusion, one participant stated that in looking for statistical data that could be used to validate whether any group of preparers does a better job of preparation than another, unfortunately, could not do so. It would appear that there is no data publicly available to validate this opinion. Thus, it seems completely illogical that a tax preparer that has had no education at all would be a better option than a preparer who has completed 60 hours of qualifying education and maintains 20 hours of continuing education annually.

From: ShirleyMalone
Sent: Tuesday, September 15, 2009

I just became aware of the tax preparer compliance initiative. You may want to add my comments.

I do not need to support my suggestion because it is so obvious. Stop refund loans. This could be achieved by a simple change in IRS procedures. The IRS NOT including a debt indicator when it sends back an acknowledgment that an electronic has been accepted. The debt indicator should be included when the refund deposit is issued or then it would be issued if the tax payer did not have a debt.

Chances or franchises and many independent preparers who are in business to make \$150 extra by offering refund loans are more likely to prepare returns with unsupportable data. Especially if they are on commission and pressured by their employer and the client. Because there is a crush for 10 to 15 days in late January and early February the likelihood of preparers hired off the street with a few days training is not uncommon. The tax payer gets the use of their refund in 10 days instead of 2. Saving \$100 to get their money 8 days after waiting all year to get their refund. Because clients often get \$4000 or more they do not care about the \$100 loan fee. The client also does not notice when their inflated preparation fees say \$400 for a simple return including Earned income credit and child care credit. The tax client sees themselves getting \$4000 when their refund is \$4500. They do not care even when pointed out to them they could get \$200 to \$300 more by waiting 8-10 days and using a preparer who is not into a big grab from financially unsophisticated clients. They could also get tax returns done free by social service agencies but they might have to wait 5 days for an appointment. Waiting 15 days to save \$500 is not always in their frame of reference.

From: RUBY Tollefson
Sent: Tuesday, September 15, 2009
Subject: Notice 2009-60

Hello,

I have been licensed in Oregon for 30 years. I am pleased to see regulation of non licensed individuals in all states being addressed.

I believe our Tax Board of Practitioners has done an excellent job with code which addresses the Services' concerns regarding some brief notes on the following:

- Education-30 hours per year
- Ethics-clearly in Code for review
- Conduct addressed in employment contracts of businesses and by Oregon licensee requirements. Licenses' are revoked when convicted of crimes.
- 80 hours of Basic Income Tax education to sit for basic license, Licensed Tax Preparer. 780 hours worked under licensed Tax Consultant before qualified to sit for exam of next license, Licensed Tax Consultant.
- Professional organizations provide education to tax preparers both locally and on larger scales. There are national firms which provide educational seminars.
- Oregon LTP & LTC's should be Grandfathered under new laws as they have the licensing and experience, are governed by state board on accuracy, ethics, professionalism, knowledge of tax code, and have been leaders in the country regarding tax preparation.

I believe the Service need look no further than the Oregon statutes by the Tax Board. Many years of experience has gone into the books here. We are very proud of our licensing laws and have been leaders in the country with our program.

Please consider grandfathering Oregon licensed Consultants into your new program as we have maintained all the qualities the service is aspiring to duplicate.

Thank you,
Ruby Tollefson, LTC

From: townsend
Sent: Tuesday, September 15, 2009
Subject: unenrolled taxpreparers

My name is Julia SCox and I have been preparing tax returns since Jan. 1970. I worked for Mel Jackson in Charlotte, N.C. and in 1975 I moved to the Atlanta area and went to work for James Townsend in Jan. 1976. I am still working for the same company. We are a tax compliance company. I consider myself a tax professional with high ethics and so is our company. We go to IRS seminars yearly to keep up on the new laws as well as softwear seminars. The customer are important to us and we go out of our way to provide them with the proper tax laws that pertain to their situation. Also we subscribe to the IRS newsletters. I believe that tax professionals like myself and Mr. Townsend, who has been doing this for 55 years, should be grandfathered in without having to prove themselves. I think that we have already done that. I have been in the business this long and hope that I can stay in the business, because I like dealing with people and I want their returns to have the correct items so that they will not have any problems with IRS. I can't come to this public forum and I want my voice to be heard. I really can't say why I never became a CPA or ERA. I was able to do the job I loved without having to do that. I never wanted to own my own business. I am one of those people who don't do well on test even though I can do my job well. I feel that I am speaking for a lot of tax preparers like myself. Thank you for time. I can be reached at:

TOWNSEND INCOME TAX & ACCOUNTING SVC OF STOCKBRIDGE,GA

From: Lane, Cindy
sent: Tuesday, September 15, 2009
To: *C&L NPL Communications
Subject: Public Forum - Unenrolled Preparers

To whom it may concern:

May we send email comments to be read at the forum or can you provide my email &/or contact information to registered participants to relay my comments?

I live in Kansas and there have been no close public forums on this topic. I am currently an un-enrolled practitioner. I understand the desire to control individuals, but to keep cost of performing a service low if any examination is required it should be minimum and address the types of tax documents the individual will be completing. I serve a valuable service to a rural community with lower income levels. My services are inexpensive and I am dedicated to providing my clients the best and most accurate service possible, but resources are limited.

Sincerely,
Cindy E-Shaffer Lane

From: Timothy Fox
Sent: Tuesday, September 15, 2009
Subject: Unenrolled tax preparer

I am an Unenrolled tax preparer. I have been in business for 25 years. I have a BBA in Accounting and and MBA in Accounting from the University of Texas. If you are not having CPA's take an exam each year to maintain their preparer status you need to have at least a "grandfather" clause for accountants like myself. I am every bit as qualified to prepare taxes as any CPAI

Timothy Forrest Fox

Sent: Tuesday, September 15, 2009
Subject: additional information

In my last email I requested that degreed accountants be exempted from taking an annual examination. Why not make a requirement that unenrolled tax preparers have continuing education as supplied from the IRS. I go to the tax forums (just completed in Dallas) and watch EVERY tax talk live program sponsored by the IRS.

Timothy Forrest Fox

From: elias. pa
Sent: Wednesday, September 16, 2009
Subject: Unenrolled Preparers

Hi,

I know a US citizen living and working in Lebanon, owner of accounting practice in Lebanon, with CPA in Lebanon, preparing tax returns and doing accounting work for American-Lebanese individuals and businesses, with B.S. degree in Business Administration and an M.S. degree in Economics and Finance, both degrees were received from a university in the United States, and have taken all the accounting courses in college, with over twenty years experience in the accounting and tax fields. When communicating with the IRS on matters concerning *tax* payers, the IRS considers this person as Unenrolled Preparer, not authorized to communicate with the IRS on behalf of the clients, especially representation of clients for OIC, etc.

I hope the conference would consider those unenrolled preparers who are qualified in the field, and hope that the IRS would accord them special treatment in terms of their authorization to represent their clients before the IRS.

Thank you

From: Tod Vidovich
Sent: Sunday, September 20, 2009
Subject: Notice 2009-60

I just learned about the IRS initiative to potentially require registration/certification of all tax preparers signing a return. Unfortunately I also just learned you were only taking comments from the public through August 31 st. But since I see you are still having public forums around the country through the end of September, please allow me to submit my comment as well.

My background: I work as an accountant in industry. I hold a CPA certificate from the state of Indiana, but not a permit to practice. Accordingly, I cannot sign any individual income tax returns I do on the side as a CPA. However, in order to keep the certificate, I must complete 120 hours of continuing professional education (CPE) every three years.

My experience: My first career position was in a CPA firm where I prepared many returns. When I left public accounting, I obtained a permit to practice and did a number of returns on the side as well as at a second job for a public accountant during tax season weekends.

My current situation: Due to more time demands in my industry career, I dropped all but one set of clients about ten years ago. This consists of two ladies who run a Shaklee business and one of them is also a nurse. I do the partnership return for the Shaklee business and then I do their individual returns. So I sign three returns per year, for gross fees of around \$350 a year. I have some costs, mostly travel, but every time a new major tax law comes out I take a self-study CPE to stay up on the tax laws for both them and myself. We have become good friends over the years and I enjoy meeting up with them to do their work even though I am not making a lot on it. What I fear: I understand you are taking a good look at the Oregon state law in this area, and I have reviewed it as well. Their law requires preparers who even do ONE return to get registration and training, with the attendant costs.

If you have Congress enact something like this, it will destroy my ability to serve my one client. I will either have to get the CPA permit to practice, or pay for Oregon-style registration and training. The cost of doing either of these, coupled with my current costs to do their work, will mean I will be losing substantial money doing it. I will therefore have to drop them, potentially damaging the friendship as well.

I sense from my interactions with colleagues over the years that there is quite a bit of this going on friends doing work for friends - and that they are signing the returns for relatively nominal amounts of money, or for a good dinner at a high-end restaurant, and so forth. And I know a number of people who are terrified at the sight of even a blank 1040EZ and will gladly pay someone \$25 to bat it out for them even if it only takes 15 minutes.

My request: I ask that you consider a "de minimus" exception to any registration/training requirement, allowing self-educating persons like myself to sign up to five returns a year without having to register. I am sure your computer systems are tracking Social Security numbers in the paid preparer section anyway, so this should be relatively easy to monitor.

Thank you for allowing me to contribute to the discussion.
Tod Vidovich
Avon, Indiana

From: Strdexter
Sent: Tuesday, September 22, 2009
Subject: (no subject)

I know this isn't the proper place to send my opinion regarding tax preparers but it is the only link I can find. I believe there should be penalties assessed against anyone preparing erroneous tax returns but to put laws as to who and who cannot prepare returns is wrong since our tax systems is so called a "voluntary" tax system. We have very good people preparing return on the kitchen table and some very bad CPA and EA preparing tax returns.

As long as Congress keeps our tax laws so confusing, complicated, convoluted and poorly written, I believe that anyone that wants to prepare returns for a fee should be able too.

The large commercial tax preparation companies and not necessarily any better than the individual that sets up shop in their home and prepares returns.

The whole problem of commercial tax preparers is the Internal Revenue Code and no one and I repeat no one can understand and comprehend all of this document including the secretary of Treasury and I am sure that only a handful if that many of congress are able to prepare their own returns. This should say something about our tax system.

Sincerely,
Stuart Dexter, PA, EA and a couple of others that I can't think of right now.

Response to Notice 2009-60

AS requested by the Service here is my response to the questions that you have listed in the above notice. First, I have been preparing tax returns professionally since 1965 and maintain my credentials and required education for them.

Types of individuals etc: Attorneys, CPA's LPA, EA 's ABA, ATA, ATP, Oregon and California state tax licensed individuals. Also, fly by night preparers, shopping center and auto dealer preparers to name a few.

All of the credentialed preparers listed in the first sentence above are required to maintain continuing education (CPE) and comply with their respective organizations Code of Ethics and Rules of Professional Conduct.

All education requirements have a set number of hours. For Instance the

ABA ATA ATP requires (for all three credentials) 120 hrs of education every three years. All of these have a procedure in effect to handle those individuals who either do not get the education required or have complaints by the public filed against them. In addition all preparers should be subject to Cir 230 as well.

The law should require a set number of CPE hours for a set period of time unless more is required to maintain a credential or license.

A valid test of all preparers should be required for registration as a preparer unless an individual has already passed a written exam to obtain a license of credential such as a CPA, EA, ABA ATA ATP, state licensed preparers or other state licenses. All others should be required to sit for an exam administered over a period of years.

I hold the ABA, ATA, and ATP credential issued by the Accreditation of Accountancy and Taxation (A CAT) by exam. These exams along with the

CPA, EA and other state licensing requirements currently meet the criteria for preparation of tax returns of all types. Unlicensed or uncredentialed individuals do not have these requirements and I have seen horrible tax work, not because of fraud or willful intent but because of lack of knowledge.

The minimum requirement should be the ability to prepare all tax returns for the IRS, handle taxpayer problems with the IRS and give taxpayers valid tax advice.

ALL tax preparers should be subject to Cir 230.

The preparer that signs the return should be held responsible for the return.

Professional organization should be responsible for having their members with a credential, license or permit maintain the CPE as required by the organization. I know the ACAT audits the CPE of credential holders as well as handle ethics complaints from the public aggressively .Having served on the Board of Governor of NSA as well as the Board of ACA T, that these two organizations actively enforce their membership or education requirements.

Any preparer holding a valid credential, license or state permit should be grandfathered into the registration of preparers. This would lift a burden from the Service in the initial years of registration and allow a phase in of preparers.

I am convinced that the exams given by ACAT meet or exceed any exam contemplated by the IRS and should be considered for grandfathering into registration.

I applaud the Service for proposing that all tax preparers be registered as this will give it more ability to eliminate the unscrupulous preparers and help prepares and the public have a fair administration of tax laws in the future. I thank you for this opportunity to respond to Notice 2009-60.

John W Schabow ABA ATA ATP